



# STATE OF INDIANA

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The monthly revenue report of October 2010 state tax collections was released today.

## Results

- Total revenue collections were \$959 million, \$6 million below collections for the same period last year (-0.6%). Collections were \$81 million below the amount assumed in the June 2009 budget as passed and \$23 million below the most recent revenue forecast (December 2009).
- Sales tax collections totaled \$493 million for the month, less than \$1 million (+0.2%) above collections for the same period last year.
- Individual income tax collections totaled \$317 million for the month, \$45 million (+16.7%) above collections for the same period last year.

## Commentary

Sales tax collections have now increased on a year over year basis for eight consecutive months. For the first four months of FY 2011, sales tax revenues have averaged growth of 3.1%.

Individual income tax collections increased 16.7% in September compared to prior year, led by 11.5% growth in payroll withholdings. For the first four months of FY 2011, payroll withholdings have averaged growth of 6.9%.

Corporate tax collections were particularly weak in October, dropping 65.3% compared to October 2009. For the first four months of FY 2011, corporate tax collections are down 7.0% compared to prior year.

Through the first four months of FY 2011, state general fund revenues are now lagging the latest forecast by \$15.7 million (-0.4%). Revenues trail the May 2009 forecast, the basis for the budget that passed, by \$263 million through the first four months of FY 2011.

In December, the revenue forecast for FY 2011 will be updated, and the first revenue forecast for the FY 2012 – 2013 biennium will be released.

November 3, 2010